

HANDLE VIA TALENT  
CONTROL SYSTEM ONLY

TCS-1651-57  
Copy 1 of 9

9 July 1957

MEMORANDUM FOR: Project Director

SUBJECT: Future Processing of AQUATONE Photographic Products

1. This memorandum is in response to yours of 28 June 1957, TCS-1642-57, entitled "Review of the Necessity for Continuation of Eastman Kodak Processing, in Whole or in Part". Messrs. [REDACTED] 25X1A9a  
[REDACTED] Lundahl, [REDACTED] have participated in reaching the formulation set forth in this paper. 25X1A9a

25X1A9a

Objectives Relevant to This Problem

2. Some immediate and some longer range objectives of the Project and of the Agency need to be kept in mind in reconsidering the method of handling the AQUATONE product:

a. To achieve a higher quality of product at an equal or lower cost, if possible, than has been the case to date.

b. To search constantly for and apply new techniques from whatever source (i.e., not only Eastman) to achieve higher quality. (Some new techniques are currently available for possible application.)

Comment: It might be possible to provide to the intelligence community and where applicable outside it in the Government new and tested ideas, equipment, and procedures in this field, possible by virtue of the unique bureaucratic position of CIA in the Government, free from the constrictive standardization procedures understandably required in the Services.

HANDLE VIA TACTICAL  
CONTROL SYSTEM ONLY

c. To insure greater procedural flexibility and responsiveness in the production of photographic materials to meet consumer needs.

d. To establish a processing center with a capability of satisfying programs similar to AQUATONE now planned or to be planned of a clandestine and highly sensitive nature.

e. To maximize use of personnel now required in HTAUTOMAT for photographically exploiting already acquired aerial photography. This includes rectification, copy camera printing, enlarging, etc.

Alternatives Considered for Processing  
AQUATONE Photographic Products

3. The following alternatives have been subject of consideration by the group mentioned above:

- a. Continue present arrangement with Eastman indefinitely.
- b. Continue using the same facility and equipment at Rochester under management of a CIA/HTAUTOMAT official with contract personnel.
- c. Establish in one or two floors at the Steuart Building a processing unit under management of a CIA/HTAUTOMAT official with CIA personnel or alternatively with contract personnel.
- d. Establish a contract processing center in the Washington area under supervision of a CIA/HTAUTOMAT official.
- e. Establish a processing center in Washington area under supervision of a CIA/HTAUTOMAT official and manned by personnel from Army, Navy, Air Force, and CIA.
- f. Arrange for use of the Air Force or Navy processing centers in the Washington area.
- g. Arrange for use of Air Force or Navy processing centers outside of the Washington area.

HANDLE VIA TALENT  
CONTROL SYSTEM ONLY

3

TCS-1651-57

Facts Bearing Upon This Problem

4. The following facts condition our view of the above alternatives:

a. Costs involved in the maintenance of the establishment at Eastman, the equipment already having been paid for by the Project and real estate already being owned by the US Government (Navy), are as follows:

(1) Personnel actually on duty -- the number of personnel fluctuates with the work load, personnel in excess of stand-by being employed elsewhere in the Eastman company -- are paid for only hours actually worked.

(2) Cost of materials consumed.

(3) Overhead charges.

25X1A1a

These costs currently have been budgeted at [REDACTED] per year.

b. Existing procedures at Eastman were designed to meet a plan of production at the rate of approximately fifty operational missions per month, not on the basis of highest quality processing at a much lower rate of production of three operational missions per month which has turned out to be about the average.

c. Eastman's principal interest appears to be in the advanced R&D, production and sale of film and papers and not in the routine processing to which it is committed under present arrangements. It is believed that Eastman would welcome the occasion to be relieved of the processing responsibility though would no doubt want to continue to provide raw materials involved.

d. Responsiveness of the Eastman processing facility to consumer requirements is in some degree adversely affected by geographic distance from Washington and possibly by the vagaries arising from the organizational distance between the consumers and Eastman which pass through the intermediary of Project Operations.

HANDLE WITH CARE  
CONTROL SYSTEM ONLY

e. To staff a processing center either at the present location or in Steuart Building or in a separate location in the Washington area by CIA personnel is, in the face of current personnel ceilings, most unlikely. If the permission were available today for recruitment for staffing by CIA personnel, it would take at least nine months to recruit etc., although this may be a bit optimistic in the face of real difficulties in locating such personnel in a very tight market.

f. To use a Navy or Air Force center outside of Washington in the ZI will impose the same difficulties as set forth in d above.

g. Experience with the [REDACTED] does not suggest that the recruitment job would be easier if personnel were to be sought within the Navy or the Air Force to man processing centers in the Navy or the Air Force (Washington) or elsewhere in the ZI. In fact, problems of rotation would plague such units even as they do the [REDACTED] today.

25X1A1g

25X1A1g

#### 5. Conclusions.

a. That processing at Eastman should be continued for an estimated six to nine months with no change at the Eastman end.

b. That the responsibility for liaison with Eastman should be transferred from Operations to HTAUTOMAT.

Comment: This would involve sending a man from HTAUTOMAT to Eastman. It would probably be well to attach the present liaison officer at Eastman to the HTAUTOMAT representative and not withdraw him. The responsibility of couriering film from the theatre to Washington should remain with Operations. The responsibility for arranging for the movement and couriering of film to and from Eastman should move to HTAUTOMAT. HTAUTOMAT should be responsible to the Project Director for the meeting of consumer needs for photographic materials.

The conclusion in b is not intended to reflect adversely upon anyone involved. It is, however, a reflection of the belief that

the guidance of Eastman to meet production standards of quality and quantity is of very direct concern to consumers, and within CIA the principal consumer is HTAUTOMAT. The processing of film is believed to be a function not directly germane to the purposes and mission of Operations, which is to take the photography.

c. That a target date be set for phasing Eastman Kodak processing responsibility to HTAUTOMAT with provision for necessary overlap to insure continuing production (decision on the target date should be established after a logistic and personnel staff study has been drawn by HTAUTOMAT); that by that time the equipment owned by the Agency be moved either to HTAUTOMAT or be disposed of to the Services in lieu of which more desirable equipment be procured; and that necessary arrangements be made for HTAUTOMAT control of the personnel in the processing unit, whether such personnel be contract or CIA employees.

Comment: In reaching conclusion c, we have considered the alternative of leaving the equipment in the present facility at Eastman and using existing personnel by some arrangement with Eastman under a CIA manager. This alternative was rejected because:

(1) It is believed that comparable and adequate space to that of the Navy Building at Rochester was available in Washington.

(2) That the geographic distance between Washington and Rochester is a major factor in inhibiting not only the proper and prompt responsiveness in the use of personnel in the processing center but also the possible use of such personnel between peak operations for other related projects of the Agency.

d. That facilities in Stuart Building be established for the experimental testing of new types of equipment or processes which have been developed through consultation and contract with available and likely private firms, including Eastman Kodak, which would be available to HTAUTOMAT and the Project on a consultant basis.

HANDLE VIA TACV  
CONTROL SYSTEM ONLY

6

TCS-1651-57

Comment: It is believed that R&D in this field, as far as the Agency's control is concerned, will in a measure be limited as long as Eastman operates the processing facilities because of their great reluctance to employ R&D not of their own making. Eastman by its own bureaucracy is inhibited from the free use of equipment made by other companies. This may be the case with regard to the failure to use the LOG-E-TRONIC printer which the Agency loaned Eastman many months ago. Technological changes affecting photographic processing and exploitation for intelligence are moving rapidly. Eastman is not sensitized to these needs. The Services while sensitive are inhibited by extensive procurement and testing procedures.

6. Recommendations.

a. That Eastman representatives be informed of our desire to arrange for the transference of responsibility for processing in the course of the next fiscal year from them to the Agency.

b. That HTAUTOMAT be assigned the liaison responsibility with Eastman and that if possible the new HTAUTOMAT representative be introduced to Eastman officials at the earliest opportunity and that the transference of the liaison responsibility be accomplished with a minimum of inconvenience and friction at Rochester.

25X1A9a



JAMES Q. REBER  
Intelligence Requirements Officer

JQR:ew

- 1-Project Director
- 2-Deputy Project Director
- 3-Director of R&D
- 4-CO--
- 5-Chief/HTAUTOMAT
- 6-
- 7-Operations--Attn IO
- 8-file
- 9-TCS chrono

25X1A9a

25X1A9a

*See TCS-1657-57 for 9/6/61*